Condensed Interim Financial Statements

Fission Uranium Corp.

(Unaudited)

For the Nine Month Period Ended
September 30, 2019

Fission Uranium Corp.

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(Unaudited)

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Fission Uranium Corp.

Condensed interim statements of financial position
(Expressed in Canadian dollars)
(Unaudited)

	Note	**September 30 2019**	December 31 2018
		$	$
Assets			
Current assets			
Cash and cash equivalents		**6,808,167**	10,943,396
Short-term investments	4	**29,604**	10,500,984
Amounts receivable		**213,178**	311,230
Prepaid expenses		**133,996**	87,453
		7,184,945	21,843,063
Non-current assets			
Investment in Fission 3.0 Corp.	5	**593,593**	1,113,774
Property and equipment		**140,714**	195,188
Right-of-use assets	6	**255,658**	-
Exploration and evaluation assets	7	**315,921,679**	305,379,601
		316,911,644	306,688,563
Total Assets		**324,096,589**	328,531,626
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**676,852**	1,094,156
Lease obligations - current portion	8	**97,926**	-
		774,778	1,094,156
Non-current liabilities			
Deferred gain on short-term investments	5	**211,816**	291,247
Lease obligations	8	**162,984**	-
		374,800	291,247
Total Liabilities		**1,149,578**	1,385,403
Shareholders' Equity			
Share capital	9	**413,519,850**	413,399,850
Other capital reserves	9	**26,715,921**	26,698,159
Deficit		**(117,288,760)**	(112,951,786)
		322,947,011	327,146,223
Total Liabilities and Shareholders' Equity		**324,096,589**	328,531,626

Approved by the Board of Directors and authorized for issue on November 13, 2019.

"Frank Estergaard"
Director

"William Marsh"
Director

Fission Uranium Corp.

Condensed interim statements of loss and comprehensive loss
(Expressed in Canadian dollars)
(Unaudited)

	Note	**Three Months Ended September 30 2019**	Three Months Ended September 30 2018	**Nine Months Ended September 30 2019**	Nine Months Ended September 30 2018
		$	$	**$**	$
Expenses					
Business development		**135,044**	166,779	**317,205**	468,271
Consulting and directors fees		**399,313**	358,351	**1,183,788**	1,151,584
Depreciation		**47,243**	22,766	**142,596**	78,223
Office and administration		**148,266**	203,138	**485,727**	640,678
Professional fees		**48,973**	19,686	**213,164**	220,319
Public relations and communications		**178,584**	112,064	**514,818**	612,482
Share-based compensation expense (recovery)	9(c)	**2,613**	(36,719)	**15,985**	253,215
Trade shows and conferences		**81,018**	32,972	**223,317**	225,059
Wages and benefits		**192,398**	179,286	**552,402**	604,536
		1,233,452	1,058,323	**3,649,002**	4,254,367
Other items - income/(expense)					
Foreign exchange loss		**(153)**	(2,750)	**(3,924)**	(5,250)
Interest and miscellaneous income		**57,465**	148,480	**240,041**	471,627
Interest - lease obligations	8	**(4,120)**	-	**(11,959)**	-
Share of loss from equity investment in Fission 3.0 Corp.	5	**(46,399)**	(75,646)	**(156,324)**	(113,320)
Investment in Fission 3.0 Corp. write-down	5	**(363,857)**	-	**(363,857)**	(1,164,525)
Dilution loss on investment in Fission 3.0 Corp.	5	**-**	(29,813)	**-**	(29,813)
Loss on short-term investments	5	**(91,751)**	-	**(391,949)**	-
		(448,815)	40,271	**(687,972)**	(841,281)
Loss before income taxes		**(1,682,267)**	(1,018,052)	**(4,336,974)**	(5,095,648)
Deferred income tax recovery		**-**	73,354	**-**	762,109
Net loss and comprehensive loss for the period		**(1,682,267)**	(944,698)	**(4,336,974)**	(4,333,539)
Basic and diluted loss per common share		**(0.00)**	(0.00)	**(0.01)**	(0.01)
Weighted average number of common shares outstanding		**486,266,370**	485,823,707	**486,118,837**	485,721,877

Fission Uranium Corp.

Condensed interm statements of changes in equity
(Expressed in Canadian dollars)
(Unaudited)

		Share capital				
	Note	Shares	Amount	Other capital reserves	Deficit	**Total shareholders' equity**
			$	$	$	**$**
Balance, January 1, 2018		485,651,038	413,155,475	26,307,729	(107,764,296)	**331,698,908**
Director remuneration shares issued	11	172,669	127,500	-	-	**127,500**
Share-based compensation	9(c)	-	-	336,509	-	**336,509**
Net loss and comprehensive loss		-	-	-	(4,333,539)	**(4,333,539)**
Balance, September 30, 2018		485,823,707	413,282,975	26,644,238	(112,097,835)	**327,829,378**
Director remuneration shares issued	11	190,935	116,875	-	-	**116,875**
Share-based compensation	9(c)	-	-	53,921	-	**53,921**
Net loss and comprehensive loss		-	-	-	(853,951)	**(853,951)**
Balance, December 31, 2018		486,014,642	413,399,850	26,698,159	(112,951,786)	**327,146,223**
Director remuneration shares issued	11	251,728	120,000	-	-	**120,000**
Share-based compensation	9(c)	-	-	17,762	-	**17,762**
Net loss and comprehensive loss		-	-	-	(4,336,974)	**(4,336,974)**
Balance, September 30, 2019		486,266,370	413,519,850	26,715,921	(117,288,760)	**322,947,011**

Fission Uranium Corp.

Condensed interim statements of cash flows
(Expressed in Canadian dollars)
(Unaudited)

	Note	**Three Months Ended September 30 2019**	Three Months Ended September 30 2018	**Nine Months Ended September 30 2019**	Nine Months Ended September 30 2018
		$	$	**$**	$
Operating activities					
Net loss and comprehensive loss		**(1,682,267)**	(944,698)	**(4,336,974)**	(4,333,539)
Items not involving cash:					
Depreciation		**47,243**	22,766	**142,596**	78,223
Share-based compensation	9(c)	**2,613**	(36,719)	**15,985**	253,215
Director remuneration shares issued	11	**-**	-	**120,000**	127,500
Share of loss from equity investment in Fission 3.0 Corp.	5	**46,399**	75,646	**156,324**	113,320
Investment in Fission 3.0 Corp. write-down	5	**363,857**	-	**363,857**	1,164,525
Dilution loss on investment in Fission 3.0 Corp.	5	**-**	29,813	**-**	29,813
Loss on short-term investments	5	**91,751**	-	**391,949**	-
Deferred income tax recovery		**-**	(73,354)	**-**	(762,109)
		(1,130,404)	(926,546)	**(3,146,263)**	(3,329,052)
Changes in non-cash working capital items:					
(Increase) decrease in amounts receivable		**444,294**	23,202	**74,023**	(272,767)
(Increase) decrease in prepaid expenses		**76,433**	(19,365)	**(35,405)**	(996)
Increase (decrease) in accounts payable and accrued liabilities		**122,142**	(85,131)	**121,479**	(59,169)
Cash flow used in operating activities		**(487,535)**	(1,007,840)	**(2,986,166)**	(3,661,984)
Investing activities					
Proceeds on redemption of short-term investments		**-**	-	**10,000,000**	-
Property and equipment additions		**(7,233)**	-	**(12,420)**	-
Purchase of units of Fission 3.0 Corp.		**-**	(400,000)	**-**	(400,000)
Exploration and evaluation asset additions		**(1,185,587)**	(4,505,166)	**(11,066,193)**	(13,138,389)
Cash flow used in investing activities		**(1,192,820)**	(4,905,166)	**(1,078,613)**	(13,538,389)
Financing activities					
Lease obligation payments	8	**(24,037)**	-	**(70,450)**	-
Cash flow used in financing activities		**(24,037)**	-	**(70,450)**	-
Decrease in cash and cash equivalents during the period		**(1,704,392)**	(5,913,006)	**(4,135,229)**	(17,200,373)
Cash and cash equivalents, beginning of period		**8,512,559**	19,448,548	**10,943,396**	30,735,915
Cash and cash equivalents, end of period		**6,808,167**	13,535,542	**6,808,167**	13,535,542

Supplemental disclosure with respect to cash flows (Note 10)

1. Nature of operations

Fission Uranium Corp. (the "Company" or "Fission Uranium") was incorporated on February 13, 2013 under the laws of the Canada Business Corporations Act in connection with a court approved plan of arrangement to reorganize Fission Energy Corp. which was completed on April 26, 2013. The Company's principal business activity is the acquisition and development of exploration and evaluation assets. To date, the Company has not generated revenues from operations and is considered to be in the exploration stage. The Company's head office is located at 700 – 1620 Dickson Ave., Kelowna, BC, V1Y 9Y2 and is listed on the Toronto Stock Exchange under the symbol FCU, on the U.S. OTCQX under the symbol FCUUF, and on the Frankfurt Stock Exchange under the symbol 2FU.

The Company has not yet determined whether its exploration and evaluation assets contain ore reserves that are economically recoverable. The recoverability of the amounts shown for the exploration and evaluation assets, including the acquisition costs, is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves, and upon future profitable production.

2. Significant accounting policies

(a) Statement of compliance

These condensed interim financial statements are unaudited and have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, IAS 34, *Interim Financial Reporting* ("IAS 34") and do not contain all of the information required for annual financial statements. These unaudited condensed interim financial statements should be read in conjunction with the Company's audited annual financial statements for the year ended December 31, 2018 prepared in accordance with IFRS. These unaudited condensed interim financial statements were authorized for issue by the Board of Directors on November 13, 2019.

(b) Basis of presentation

These unaudited condensed interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. Certain comparative figures have been reclassified to conform with the current period presentation.

(c) Significant Accounting Policies

The accounting policies followed in these condensed interim financial statements are consistent with those disclosed in note 2 of the Company's financial statements for the year ended December 31, 2018, except as noted below.

(d) New standards adopted by the Company

IFRS 16 – Leases

The Company adopted IFRS 16 - Leases effective January 1, 2019. In accordance with the transition provisions in IFRS 16 - Leases, the new rules have been adopted using the modified retrospective approach whereby the cumulative effect of initially applying the new standard is recognized on January 1, 2019. Comparatives for the 2018 reporting period have not been restated.

2. Significant accounting policies (continued)

(d) New standards adopted by the Company (continued)

IFRS 16 – Leases (continued)

On the adoption of IFRS 16 - Leases, the Company recognized lease obligations in relation to leases which had previously been classified as "operating leases" under the principles of IAS 17 - Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Company's estimated incremental borrowing rate as of January 1, 2019.

This resulted in the initial recognition of right-of-use assets and lease obligations of $331,360.

Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the Company has the right to obtain substantially all of the economic benefits from the use of the asset during the term of the arrangement and if the Company has the right to direct the use of the asset.

Leases are recognized as a right of use asset and a corresponding obligation when the leased asset is available for use by the Company. Lease obligations are initially measured at the net present value of the fixed lease payments and variable lease payments that are based on an index or a rate, discounted using the rate implicit in the lease, or if that cannot be determined, the Company's estimated incremental borrowing rate. Right of use assets are initially measured at cost, comprising the amount of the initial measurement of the lease obligation, any lease payments made at or before the lease commencement date, and restoration costs.

Right of use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Lease obligations are subsequently measured at amortized cost using the effective interest rate method.

(Expressed in Canadian dollars)

3. Key estimates and judgements

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Investments in associates

The application of the Company's accounting policy for investments in associates requires judgement to determine whether any objective evidence of impairment exists at each reporting date giving consideration to factors such as: significant financial difficulty of the associate, or a significant or prolonged decline in the fair value of the investment below its carrying value.

(b) Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires judgement in the following areas:

(i) Determination of whether any impairment indicators exist at each reporting date giving consideration to factors such as budgeted expenditures on the Patterson Lake South ("PLS") property, assessment of the right to explore in the specific area and evaluation of any data which would indicate that the carrying amount of exploration and evaluation assets is not recoverable; and

(ii) Assessing when the commercial viability and technical feasibility of the project has been determined, at which point the asset is reclassified to property and equipment.

4. Short-term investments

	September 30 2019	December 31 2018
	$	$
Guaranteed investment certificates ("GICs")	**-**	10,000,000
Fission 3.0 Corp. warrants	**29,604**	500,984
	29,604	10,500,984

In September 2018, Fission 3.0 Corp. ("Fission 3.0") issued the Company 4,000,000 warrants as a result of the Company's participation in a private placement financing (Note 5).

5. Investment in Fission 3.0 Corp.

Fission 3.0 is a company incorporated in Canada, whose principal business activity is the acquisition, exploration and development of uranium resource properties in Canada and Peru. The Company, through a combination of its shareholding and its common directors and management, has significant influence over Fission 3.0 and accounts for the investment using the equity method.

Due to the fact that Fission 3.0's financial statements are typically not publicly available at the time the Company files its financial statements, the share of Fission 3.0's results are recognized using a reporting period which is three months prior to that of the Company.

(Expressed in Canadian dollars)

5. Investment in Fission 3.0 Corp. (continued)

Details of the investment in Fission 3.0 are as follows:

	$
Balance, January 1, 2018	**2,017,311**
Purchase of 4,000,000 units @ $0.10 per unit	400,000
Dilution gain on investment in Fission 3.0	29,412
Share of loss for the twelve months ended September 30, 2018	(168,424)
Write-down on Investment in Fission 3.0	(1,164,525)
Balance, December 31, 2018	**1,113,774**
Share of loss for the nine months ended June 30, 2019	(156,324)
Write-down on Investment in Fission 3.0	(363,857)
Balance, September 30, 2019	**593,593**

On April 30, 2018, Fission 3.0 completed a consolidation of its issued and outstanding common shares (the "Pre-Consolidation Shares") on the basis of one (1) new Common Share (the "Post-Consolidation Shares") for every four (4) Pre-Consolidation Shares held (the "Share Consolidation"). As a result of the Share Consolidation, the Company held 6,792,602 Post-Consolidation common shares.

As at June 30, 2018, the continued, prolonged decline in the fair value of the investment in Fission 3.0 was considered to be objective evidence of impairment under *IAS 28, Investments in Associates and Joint Ventures*. Accordingly, the carrying value of the investment was written down by $1,164,525 to its fair value based on the quoted market price of Fission 3.0's common shares.

On September 28, 2018, Fission 3.0 completed the first tranche of a non-brokered private placement financing by issuing 52,050,000 units at a price of $0.10 per unit, and 9,800,000 Flow Through Shares at a price of $0.10 per share. Each unit consisted of one common share and one share purchase warrant exercisable at $0.15 per warrant until September 28, 2021. The Company purchased 4,000,000 units for a total cost of $400,000, which resulted in its ownership being diluted down to 9.24% and the Company recognizing a dilution loss of $29,813 during the three month period ended September 30, 2018.

The Company determined that the fair value of the Fission 3.0 warrants acquired was $317,724, which is based on the Black-Scholes option pricing model. Since the fair value of this financial instrument exceeded the transaction price of the unit offering, and the fair value is not based solely on observable inputs, this amount has been recognized as a deferred gain which will be recognized over the three year life of the warrants. The fair value of the warrants will be determined at each reporting date, and gains or losses on the fair value changes will be recognized in the statements of loss and comprehensive loss each period.

During the three month period ended December 31, 2018, Fission 3.0 completed two additional non-brokered private placements by issuing an aggregate of 25,014,550 units and Flow Through Shares. As a result, the Company's ownership was further diluted to 7.61% and the Company recognized a dilution gain of $59,225.

For the nine month period ended September 30, 2019 the Company recognized $79,431 (September 30, 2018 – $nil) of the deferred gain on the Fission 3.0 warrants. The balance of remaining deferred gain at September 30, 2019 was $211,816 (December 31, 2018 - $291,247). The Company determined that the fair value of the warrants at September 30, 2019 was $29,604 (December 31, 2018 – $500,984) and therefore recognized an unrealized loss of $471,380 (September 30, 2018 – $nil) based on the fair value change. The net loss of $391,949 (September 30, 2018 - $nil) was recorded within other items in the statements of loss and comprehensive loss.

(Expressed in Canadian dollars)

5. Investment in Fission 3.0 Corp. (continued)

As at September 30, 2019, the significant decline in the fair value of the investment in Fission 3.0 was considered to be objective evidence of impairment under *IAS 28, Investments in Associates and Joint Ventures*. Accordingly, the carrying value of the investment was written down by $363,857 to its fair value based on the quoted market price of Fission 3.0's common shares.

The trading price of Fission 3.0's common shares on September 30, 2019 was $0.055 (December 31, 2018 - $0.205). The quoted market value of the investment in Fission 3.0 on September 30, 2019 was $593,593 (December 31, 2018 - $2,212,483).

Fission 3.0's comprehensive loss for the periods below is as follows:

	Nine months ended June 30 2019	Twelve months ended September 30 2018
	$	$
Comprehensive loss for the period	**(2,054,195)**	(1,324,646)

Select information from Fission 3.0's statements of financial position is as follows:

	June 30 2019	June 30 2018
	$	$
Current assets	**3,378,956**	289,794
Investments	**100**	-
Property and equipment	**17,777**	20,793
Exploration and evaluation assets	**12,950,938**	8,855,394
Total Assets	**16,347,771**	9,165,981
Current liabilities	**481,696**	329,823
Deferred income tax liability	**18,301**	-
Total Liabilities	**499,997**	329,823

6. Right-of-use assets

	Office Leases	**Total**
	$	**$**
Cost		
Balance at January 1, 2019	331,360	331,360
Balance at September 30, 2019	**331,360**	**331,360**
Accumulated Depreciation		
Balance at January 1, 2019	-	-
Depreciation expense	75,702	75,702
Balance at September 30, 2019	**75,702**	**75,702**
Net Book Value, September 30, 2019	**255,658**	**255,658**

(Expressed in Canadian dollars)

7. Exploration and evaluation assets

	Nine months ended September 30 2019	Year ended December 31 2018
Patterson Lake South Property		
	$	$
Acquisition costs		
Balance, beginning and end	**176,501,858**	176,501,858
Exploration costs		
Balance, beginning	**128,877,743**	112,940,009
Incurred during		
Exploration		
Geology mapping/sampling	**990**	-
Geophysics airborne	**-**	4,036
Geophysics ground	**373**	7,127
Drilling	**988,413**	3,145,714
Resource Development		
Mine Planning	**1,168,238**	609,423
Geotechnical	**4,425,122**	6,765,726
Metallurgical	**43,495**	554,036
Resource Development	**34,204**	2,820,037
Hydrogeological	**1,356,208**	738,432
Infrastructure	**1,658,113**	26,775
Permitting		
Operational Permits & Other	**69,390**	26,096
Environmental	**596,770**	829,580
Community Relations	**97,423**	150,001
Other		
Land Retention	**24,941**	45,570
Reporting	**12,458**	30,136
General	**64,163**	91,878
Share-based compensation	**1,777**	93,167
Additions	**10,542,078**	15,937,734
Balance, end	**139,419,821**	128,877,743
Total	**315,921,679**	305,379,601

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of title and/or ownership of claims. The Company has investigated title to all of its exploration and evaluation assets, and to the best of its knowledge, title to its property is in good standing.

On January 11, 2016 the Company executed an offtake agreement with CGN Mining Company Limited ("CGN Mining"). Under the terms of the offtake agreement, CGN Mining will purchase 20% of annual U_3O_8 production and will have an option to purchase up to an additional 15% of U_3O_8 production from the PLS property, after commencement of commercial production.

(Expressed in Canadian dollars)

8. Lease Obligations

	Nine Months Ended September 30 2019
	$
Beginning balance, January 1, 2019	**331,360**
Lease obligation payments	(82,409)
Interest expense	11,959
Net lease obligation payments	(70,450)
Ending balance at September 30, 2019	**260,910**
Less: Lease obligations - current portion	(97,926)
Lease obligations	**162,984**

The Company's lease obligations relate to commercial office space utilized by the Company's offices in Kelowna and Vancouver. The Company's estimated incremental borrowing rate used in the calculation of these obligations is 5.95%.

9. Share capital and other capital reserves

(a) Authorized share capital

The Company is authorized to issue an unlimited number of common shares, without par value. All of the Company's issued shares are fully paid.

(b) Stock options

The Company has a stock option plan which allows the Board of Directors to grant stock options to employees, directors, officers, and consultants. The exercise price is determined by the Board of Directors provided the minimum exercise price is set at the Company's closing share price on the day before the grant date. The options can be granted for a maximum term of five years and vesting terms are determined by the Board of Directors at the date of grant.

As at September 30, 2019, incentive stock options were outstanding as follows:

Stock options			
Number outstanding	Exercise price	Number of vested options	Expiry date
	$		
6,140,000	1.00	6,140,000	December 15, 2019
11,500,000	0.85	11,500,000	February 5, 2021
7,325,000	0.85	7,325,000	January 16, 2022
300,000	0.85	250,000	March 27, 2023
25,265,000		**25,215,000**	

(Expressed in Canadian dollars)

9. Share capital and other capital reserves (continued)

(b) Stock options (continued)

Stock option transactions are summarized as follows:

	Stock options	
	Number outstanding	Weighted average exercise price
		$
Outstanding, January 1, 2018	46,365,000	1.0278
Granted	500,000	0.8500
Forfeited	(598,335)	0.8500
Expired	(9,631,665)	0.9784
Outstanding September 30, 2018	36,635,000	1.0412
Outstanding, December 31, 2018	36,635,000	1.0412
Expired	(11,370,000)	1.3851
Outstanding, September 30, 2019	**25,265,000**	**0.8865**

(c) Share-based compensation

All options are initially recorded at fair value using the Black-Scholes option pricing model. During the nine month period ended September 30, 2019 the Company granted Nil stock options (September 30, 2018 – 500,000). Pursuant to the vesting schedule of options granted, during the nine month period ended September 30, 2019 share-based compensation of $15,985 (September 30, 2018 - $253,215) was recognized in the statements of loss and comprehensive loss and $1,777 (September 30, 2018 - $83,294) was recognized in exploration and evaluation assets. The total amount of $17,762 (September 30, 2018 - $336,509) was recorded within other capital reserves in the statements of changes in equity.

The following assumptions were used for the valuation of share-based compensation for options granted:

	September 30 2019	September 30 2018
Risk Free Interest Rate	**N/A**	1.91%
Expected Life - Years	**N/A**	2.92
Estimated Forfeiture Rate	**N/A**	3.83%
Annualised Volatility	**N/A**	50.53%
Dividend Rate	**N/A**	N/A
Weighted average fair value per option	**N/A**	$0.16

(Expressed in Canadian dollars)

10. Supplemental disclosure with respect to cash flows

	September 30 2019	December 31 2018
	$	$
Cash and cash equivalents		
Cash	**5,398,167**	10,783,396
Redeemable term deposits	**1,410,000**	160,000
	6,808,167	10,943,396

During the nine month period ended September 30, 2019 the Company received $294,401 (September 30, 2018 - $468,251) in interest income.

Significant non-cash financing and investing transactions for the nine month period ended September 30, 2019 included:

(a) Incurring $372,734 of exploration and evaluation related expenditures through accounts payable and accrued liabilities; and

(b) Recognizing $1,777 of share-based payments in exploration and evaluation assets.

Significant non-cash financing and investing transactions for the nine month period ended September 30, 2018 included:

(a) Incurring $587,334 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;

(b) Recognizing $106,552 of exploration and evaluation related expenditures through prepaid expenses; and

(c) Recognizing $83,294 of share-based payments in exploration and evaluation assets.

11. Related party transactions

The Company has identified the CEO, President and COO, CFO, VP Exploration, and the Company's directors as its key management personnel.

	Three Months Ended September 30		**Nine Months Ended September 30**	
	2019	2018	**2019**	2018
	$	$	**$**	$
Compensation Costs				
Wages, consulting and directors fees paid or accrued to key management personnel and companies controlled by key key management personnel	**554,692**	499,034	**1,604,595**	1,546,353
Share-based compensation pursuant to the vesting schedule of options granted to key management personnel	**-**	(33,519)	**4,339**	167,988
	554,692	465,515	**1,608,934**	1,714,341

(Expressed in Canadian dollars)

11. Related party transactions (continued)

	Three Months Ended September 30		**Nine Months Ended September 30**	
	2019	2018	**2019**	2018
	$	$	**$**	$
Exploration and administrative services billed to Fission 3.0, a company over which Fission Uranium has significant influence	**230,904**	31,180	**513,998**	95,912

The Company has a Directors Remuneration Plan (the "DRP Plan") whereby a portion of director fees can be paid through the issuance of common shares ("Director Remuneration Shares") in lieu of the payment of cash or other means of remuneration. Included in compensation costs is the value of shares issued under the DRP Plan. During the nine month period ended September 30, 2019, the Company issued 251,728 shares with a total value of $120,000 under the DRP Plan (September 30, 2018 – 172,669 shares valued at $127,500).

Included in accounts payable at September 30, 2019 is $22,827 (December 31, 2018 - $25,145) for wages payable and consulting fees due to key management personnel and companies controlled by key management personnel.

Included in amounts receivable at September 30, 2019 is $68,315 (December 31, 2018 - $87,770) for exploration and administrative services and expense recoveries due from Fission 3.0.

Transactions with CGN Mining, which is deemed to be a related party as it accounts for its investment in the Company as an investment in associate, have been disclosed in Note 7.

These transactions were in the normal course of operations.

12. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue exploration and development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company depends on external financing to fund its activities. The capital structure of the Company currently consists of common shares and stock options.

Changes in the equity accounts of the Company are disclosed in the statements of changes in equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or debt or dispose of assets. The issuance of common shares or issuance of debt requires approval of the Board of Directors.

The Company reviews its capital management approach on an on-going basis and updates it as necessary depending on various factors, including capital deployment and general industry conditions. The Company anticipates continuing to access equity markets to fund continued exploration and development of its exploration and evaluation assets and the future growth of the business.

(Expressed in Canadian dollars)

13. Financial instruments and risk management

IFRS 13, Fair Value Measurement, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash and cash equivalents, short-term investments, amounts receivable, and accounts payable and accrued liabilities. Cash and cash equivalents and GICs within short-term investments are recorded at amortized cost. The Fission 3.0 warrants within short-term investments are stated at fair value through profit or loss ("FVTPL") for subsequent measurement purposes and classified within Level 2. Carrying values for amounts receivable and accounts payable and accrued liabilities are considered to be a reasonable approximation of fair value due to the short-term nature of these instruments.

The Company's financial instruments are exposed to a number of financial and market risks, including credit, liquidity and price risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of its operations warrant such hedging activities.

(a) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will not discharge its obligations, resulting in a financial loss to the Company. The Company has procedures in place to minimize its exposure to credit risk. Company management evaluates credit risk on an ongoing basis including counterparty credit rating and other counterparty concentrations as measured by amount and percentage.

The primary sources of credit risk for the Company arise from:

(i) Cash and cash equivalents;

(ii) GICs included in short-term investments; and

(iii) Amounts receivable

The Company has not had any credit losses in the past, nor does it expect to have any credit losses in the future. At September 30, 2019, the Company has no financial assets that are past due or impaired due to credit risk defaults.

The Company's maximum exposure to credit risk is as follows:

	September 30 2019	December 31 2018
	$	$
Cash and cash equivalents	**6,808,167**	10,943,396
Short-term investments (GICs)	**-**	10,000,000
Amounts receivable	**213,178**	311,230
	7,021,345	21,254,626

(Expressed in Canadian dollars)

13. Financial instruments and risk management (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they fall due. The Company's financial liabilities are comprised of accounts payable and accrued liabilities. The Company frequently assesses its liquidity position by reviewing the timing of amounts due and the Company's current cash flow position to meet its obligations. The Company manages its liquidity risk by maintaining sufficient cash and cash equivalents balances to meet its anticipated operational needs.

The Company's accounts payable and accrued liabilities arose as a result of exploration and development of its exploration and evaluation assets and other corporate expenses. Payment terms on these liabilities are typically 30 to 60 days from receipt of invoice and do not generally bear interest.

The following table summarizes the remaining contractual maturities of the Company's financial liabilities:

	Maturity Dates	**September 30 2019**	December 31 2018
		$	$
Accounts payable and accrued liabilities	< 6 months	**676,852**	1,094,156
		676,852	1,094,156

(c) Price risk

Price risk is the risk that assets or liabilities carried at fair value or future cash flows of a financial instrument will fluctuate because of changes in market conditions.

The Company's maximum exposure to price risk on its Fission 3.0 warrants included in short-term investments based on the fair value hierarchy is as follows:

	September 30 2019	December 31 2018
	$	$
Level 2	**29,604**	500,984
	29,604	500,984